

Senate File 426 - Introduced

SENATE FILE _____
BY COMMITTEE ON LOCAL
GOVERNMENT

(SUCCESSOR TO SSB 1292)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the exclusion of costs associated with
2 installation of a geothermal heating or cooling system from a
3 residence's property value for purposes of property taxation
4 and including an applicability date provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 2239SV 83
7 rn/sc/8

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1 1 Section 1. Section 441.21, subsection 8, Code 2009, is
1 2 amended by adding the following new paragraph:
1 3 NEW PARAGRAPH. d. Notwithstanding paragraph "a", any new
1 4 or retrofitted construction or installation of a geothermal
1 5 heating or cooling system on property classified as
1 6 residential shall not increase the actual, assessed, and
1 7 taxable values of the property for ten full assessment years.
1 8 In assessing and valuing the property for tax purposes, the
1 9 assessor shall disregard any market value added by a
1 10 geothermal heating or cooling system to a residential
1 11 building. For the purposes of this paragraph, to the extent
1 12 market value would be increased by the addition of mechanical,
1 13 electrical, plumbing, ductwork, or other equipment, labor, and
1 14 expenses included in or required for the construction or
1 15 installation of the geothermal system, they shall also be
1 16 disregarded, as shall the proportionate value of any well
1 17 field associated with the system and attributable to the
1 18 owner. The director of revenue shall adopt rules to implement
1 19 this paragraph.

1 20 Sec. 2. APPLICABILITY DATE. This Act applies to
1 21 assessment years beginning on or after January 1, 2010.

1 22 EXPLANATION

1 23 This bill provides that a geothermal heating or cooling
1 24 system constructed or installed on new or existing residential
1 25 property will not increase the value of the property for
1 26 purposes of property taxation for 10 full assessment years.
1 27 The bill directs the assessor to disregard any market value
1 28 added by a geothermal heating or cooling system and, to the
1 29 extent market value would be increased, to disregard
1 30 mechanical, electrical, plumbing, ductwork, or other
1 31 equipment, labor, and expenses included in or required for the
1 32 construction or installation of the geothermal system. The
1 33 bill provides that the assessed value will also not include
1 34 the proportionate value of any well field associated with the
1 35 system and attributable to the owner.

2 1 The bill applies to assessment years beginning on or after
2 2 January 1, 2010.
2 3 LSB 2239SV 83
2 4 rn/sc/8